

September 21, 2005

James Leonard
Chairman, Committee for the Implementation of Textile Agreements
Room H3100
U.S. Department of Commerce
14th and Constitution Ave, NW
Washington, DC 20230

Dear Mr. Leonard:

The American Manufacturing Trade Action Coalition (AMTAC), National Council of Textile Organizations (NCTO), National Textile Association (NTA), and UNITE HERE! request that the Committee for the Implementation of Textile Agreements (CITA) take the necessary actions to impose a safeguard on U.S. imports from China of polyester filament fabric, light-weight, classified within Category 619 of the U.S. Textile and Apparel Category System. This request is made pursuant to the guidelines issued by CITA (68 F.R. 27787, May 21, 2003).

The parties submitting this request are trade associations and unions, which are representative of either domestic producers of products like or directly competitive with polyester filament fabric, light-weight, in Category 619 or of domestic producers of components used in the production of products that are like or directly competitive with the those contained in Category 619.

For your background information, descriptions of each organization are as follows:

AMTAC is a not-for-profit manufacturing trade association established for the purpose of preserving and creating American manufacturing jobs through the establishment of trade policy and other measures necessary for the U.S. manufacturing sector to stabilize and grow. Its members are involved in a wide variety of manufacturing, including textiles, throughout the United States. AMTAC's office is in Washington, D.C.
www.amtacdc.org

NCTO is a not-for-profit trade association established to represent the entire spectrum of the United States textile sector, from fibers to yarns to fabrics to finished products, as well as suppliers of textile machinery, chemicals and other such sectors, which have a stake in the prosperity and survival of the U.S. textile sector. Its headquarters are in Washington, D.C., and it also maintains an office in Gastonia, NC. www.ncto.org

NTA is a not-for-profit trade association of companies who knit or weave fabrics in the United States, dye, print or otherwise finish fabrics in the United States, or supply fibers, yarns, or other services to the American textile industry. NTA's office is in Boston, MA.
www.nationaltextile.org

UNITE HERE! was formed by a merger in 2004 of UNITE (formerly the Union of Needletrades, Textiles and Industrial Employees) and HERE (Hotel Employees and Restaurant Employees International Union). The union, UNITE HERE, represents more than 440,000 active members and more than 400,000 retirees throughout North America. UNITE HERE's headquarters are in New York, NY. www.unitehere.org

It is the strong view of the petitioners that the surge in the YTD July 2005 imports from China of polyester filament fabric, light-weight, compounded with the long-term decline in U.S. domestic market share for these products, constitutes market disruption under § 11.242 of the Report of the Working Party on the Accession of China to the World Trade Organization (WTO). According to data provided in the I/P Book published by the Office of Textiles and Apparel, International Trade Administration, U.S. Department of Commerce (OTEXA), the long-term decline in domestic production as a share of the U.S. market correlates directly to the import rise in these products.

CITA knows well the circumstances following the integration of certain categories on January 1, 2002, in which China registered enormous increases and quickly moved to dominate trade. A similar pattern of domination can be seen by tracking China's rise from fifteenth-largest supplier of this product category in 2004 to the second largest supplier in 2005. China's new posture is also reflected in the sharp rise in imports of this product category, which registered an increase of 1,034.4 percent in the first seven months of 2005.

A closer look at the data shows that China was the fifteenth largest supplier behind Korea, Japan, Turkey, Vietnam, Canada, Indonesia, Taiwan, Thailand, France, Philippines, Mexico, Malaysia, Sri Lanka, and Pakistan with a 1.1 percent share of the U.S. import market for calendar year 2004. Year-to-date July 2005 data shows that China soared to the number two slot with a 16.7 percent U.S. import market share. China has continued to increase its market share and now holds 17.4 percent of the U.S. import market according to the preliminary data for YTD August 2005, the latest data available.

China's surge is driving a significant increase in total U.S. imports as well, with imports from all sources up 10.9 percent year-to-date July 2005. Furthermore, increases in imports from the world and China have taken a significant toll on U.S. production and domestic market share. U.S. production is down 7.7 percent for the 1st quarter of 2005, and domestic market share is down 18.4 percent for the 1st quarter of this year to a record low 34.8 percent.

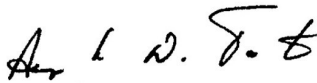
Precipitous price reductions, corresponding to the removal of quota and the corresponding quota costs, are a major reason for the sudden surge of Chinese imports. A review of recent official price data indicates that China's January-July 2005 prices for Category 619 fabric averaged \$0.48/m². This average unit value is 27.3 percent below the price for the same period in 2004 of \$0.66/m² and 40 percent below the price for calendar year 2004 of \$0.80/m². Furthermore, China's price is 35.1 percent below the world price of \$0.74/m². China's surging imports, their rise in market dominance and their sharp price reductions, follow the pattern China established in 2002 with the

removal of certain items from quota. In those categories integrated in 2002, China dropped its prices by an average of 58 percent.

In sum, surging low-priced imports from China and declining U.S. domestic production in Category 619 are an indication of disruption of the U.S. market. Safeguard language in the U.S./China Protocol of Accession is based on similar language in the Multi-Fiber Agreement (MFA) and the WTO's Agreement on Textiles and Clothing (ATC). Both of those international agreements provide for immediate action in the event of highly unusual and critical circumstances. We believe that current circumstances are such that prompt action is necessary, irrespective of the timelines in the CITA procedures.

Thank you for your consideration of this important matter.

Sincerely,



Auggie Tantillo
Executive Director
AMTAC



Cass Johnson
President
NCTO



Karl Spilhaus
President
NTA



Bruce Raynor
General President
UNITE HERE

Table 1: U.S. Production, Imports, and Domestic Market Share for Polyester Filament Fabric, Light-Weight (Category 619) 2000-2004, YE March 2004 and 2005, and YTD March 2004 and 2004 (Market Share values calculated as a percentage of U.S. Production plus U.S. Imports.)

Time Period	U.S. Production (Thousand Square Meters)	U.S. Imports	U.S. Imports from China	U.S. Domestic Market Share (Percent)	Import Market Share (Percent)	China Market Share (Percent)
2000	279,457	285,858	3,576	49.43	50.57	0.63
2001	214,444	261,092	3,577	45.10	54.90	0.75
2002	241,498	294,234	3,359	45.08	54.92	0.63
2003	190,136	279,739	7,808	40.47	59.53	1.66
2004	217,956	340,472	3,882	39.03	60.97	0.70
YE 3/04	187,204	284,597	8,609	39.68	60.32	1.82
YE 3/05	213,898	360,760	12,360	37.22	62.78	2.15
YTD 3/04	52,638	70,802	1,204	42.64	57.36	0.98
YTD 3/05	48,580	91,090	9,682	34.78	65.22	6.93

Source: U.S. Imports, Production, Markets, Import Production Ratios and Domestic Market Shares for Textile and Apparel Product Categories (OTEXA/ITA/U.S. Department of Commerce)

Table 2: U.S. Imports of Polyester Filament Fabric, Light-Weight (Category 619) 2000-2004, 1st Quarter 2004 and 2005, 2nd Quarter 2004 and 2005, YTD July 2004 and 2005, YE July 2004 and 2005, YTD August 2004 and 2005(p), and YE August 2004 and 2005(p) from the World and China: Quantity (Square Meters), Percent Change, and China's Percent Share of Total U.S. Imports

Time Period	U.S. Imports-Category 619 from: World:		China:		
	Quantity (m ²)	% Change	Quantity (m ²)	% Change	% Share
2000	285,858,288	--	3,576,493	--	1.25
2001	261,091,694	-8.66	3,577,142	0.02	1.37
2002	294,234,045	12.69	3,359,033	-6.10	1.14
2003	279,738,692	-4.93	7,808,364	132.46	2.79
2004	340,472,389	21.71	3,882,288	-50.28	1.14
1 st Qtr/04	70,802,218	--	1,203,973	--	1.70
1 st Qtr/05	91,089,698	28.65	9,681,645	704.14	10.63
2 nd Qtr/04	80,003,539	--	1,054,162	--	1.32
2 nd Qtr/05	85,596,523	6.99	18,066,395	1,613.82	21.11
YTD 7/04	184,550,533	--	3,005,811	--	1.63
YTD 7/05	204,702,467	10.92	34,097,472	1,034.39	16.66
YE 7/04	303,829,618	--	9,210,400	--	3.03
YE 7/05	360,624,323	18.69	34,973,949	279.72	9.70
YTD 8/04	209,602,340	--	3,305,397	--	1.58
YTD 8/05(p)	230,773,018	10.10	40,082,934	1,112.65	17.37
YE 8/04	306,382,036	--	9,294,454	--	3.03
YE 8/05(p)	361,643,067	18.04	40,659,825	337.46	11.24